

# Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other				Local Government Name		County	
Audit Date		Opinion Date		Date Accountant Report Submitted to State:			

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☐ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☐ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ Yes ☐ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☐ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☐ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☐ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☐ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☐ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☐ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

**We have enclosed the following:**

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			
Reports on individual federal financial assistance programs (program audits).			
Single Audit Reports (ASLGU).			

Certified Public Accountant (Firm Name)				
Street Address		City	State	ZIP Code
Accountant Signature <i>Siegfried Crandall P.C.</i>			Date	

*Charter Township of Jamestown*  
*Ottawa County, Michigan*  
**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT**  
*Year ended March 31, 2005*

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## INDEPENDENT AUDITORS' REPORT

**Board of Trustees  
Charter Township of Jamestown, Michigan**

**We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Charter Township of Jamestown, Michigan, as of March 31, 2005, and for the year then ended, which collectively comprise the Township's basic financial statements, as listed in the contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audit.**

**We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.**

**In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Charter Township of Jamestown, Michigan, as of March 31, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with U.S. generally accepted accounting principles.**

**As described in Note 12, the Township has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as of April 1, 2004.**

The budgetary comparison information on pages 26 through 28, is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The Charter Township of Jamestown, Michigan, has not presented the management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be a part of, the financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Charter Township of Jamestown, Michigan's basic financial statements. The accompanying supplementary information is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The other information designated as "Securities and Exchange Commission Rule 15c2-12 Continuing Disclosure" in the contents is also presented for purposes of additional analysis and is not a required part of the basic financial statements of the Charter Township of Jamestown, Michigan. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion thereon.

*Sigfried Crandall P.C.*

September 13, 2005

## **BASIC FINANCIAL STATEMENTS**

**Charter Township of Jamestown**  
**STATEMENT OF NET ASSETS**  
*March 31, 2005*

	<u><b>Governmental activities</b></u>	<u><b>Business-type activities</b></u>	<u><b>Totals</b></u>
<b>ASSETS</b>			
Current assets:			
Cash	\$ 2,419,352	\$ 2,069,300	\$ 4,488,652
Receivables, net	326,992	596,171	923,163
Internal balances	<u>27,916</u>	<u>(27,916)</u>	<u>-</u>
Total current assets	<u>2,774,260</u>	<u>2,637,555</u>	<u>5,411,815</u>
Noncurrent assets:			
Receivables, net	-	906,301	906,301
Bond issuance costs, net	-	75,237	75,237
Capital assets, net of accumulated depreciation	<u>2,581,318</u>	<u>7,735,620</u>	<u>10,316,938</u>
Total noncurrent assets	<u>2,581,318</u>	<u>8,717,158</u>	<u>11,298,476</u>
Total assets	<u>5,355,578</u>	<u>11,354,713</u>	<u>16,710,291</u>
<b>LIABILITIES</b>			
Current liabilities:			
Payables	37,874	211,535	249,409
Bonds and contracts payable	<u>68,041</u>	<u>245,000</u>	<u>313,041</u>
Total current liabilities	105,915	456,535	562,450
Noncurrent liabilities:			
Bonds and contracts payable	<u>563,041</u>	<u>4,420,000</u>	<u>4,983,041</u>
Total liabilities	<u>668,956</u>	<u>4,876,535</u>	<u>5,545,491</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	1,976,318	3,070,620	5,046,938
Restricted for:			
Public safety	510,909	-	510,909
Culture and recreation	89,199	-	89,199
Debt service	264,760	-	264,760
Capital improvements	-	280,215	280,215
Unrestricted	<u>1,845,436</u>	<u>3,127,343</u>	<u>4,972,779</u>
Total net assets	<u>\$ 4,686,622</u>	<u>\$ 6,478,178</u>	<u>\$ 11,164,800</u>

*See notes to the financial statements*

**Charter Township of Jamestown**

**STATEMENT OF ACTIVITIES**

Year ended March 31, 2005

Functions/Programs	<u>Expenses</u>	<u>Program revenues</u>		
		<u>Charges for services</u>	<u>Operating grants and contributions</u>	<u>Capital grants and contributions</u>
Governmental activities:				
Legislative	\$ 6,721	\$ -	\$ -	\$ -
General government	308,483	39,823	-	-
Public safety	400,045	172,576	-	-
Public works	84,139	13,862	21,921	228,540
Community and economic development	39,840	12,470	-	-
Culture and recreation	255,831	2,557	29,940	-
Interest on long-term debt	30,286	-	-	-
Total governmental activities	<u>1,125,345</u>	<u>241,288</u>	<u>51,861</u>	<u>228,540</u>
Business-type activities:				
Sewer	427,952	163,316	-	596,029
Water	<u>536,683</u>	<u>133,013</u>	<u>-</u>	<u>688,771</u>
Total business-type activities	<u>964,635</u>	<u>296,329</u>	<u>-</u>	<u>1,284,800</u>
Totals	<u>\$ 2,089,980</u>	<u>\$ 537,617</u>	<u>\$ 51,861</u>	<u>\$ 1,513,340</u>

General revenues:

Property taxes  
State shared revenue  
Cable franchise fees  
Unrestricted interest income  
Other

Total general revenues

Change in net assets

Net assets - beginning

Net assets - ending



**Net (expenses) revenues and changes in net assets**

<b><u>Governmental activities</u></b>	<b><u>Business-type activities</u></b>	<b><u>Totals</u></b>
\$ (6,721)		\$ (6,721)
(268,660)		(268,660)
(227,469)		(227,469)
180,184		180,184
(27,370)		(27,370)
(223,334)		(223,334)
<u>(30,286)</u>		<u>(30,286)</u>
 <u>(603,656)</u>		 <u>(603,656)</u>
	\$ 331,393	331,393
	<u>285,101</u>	<u>285,101</u>
	 <u>616,494</u>	 <u>616,494</u>
 <u>(603,656)</u>	 <u>616,494</u>	 <u>12,838</u>
1,015,894	-	1,015,894
352,747	-	352,747
16,740	-	16,740
32,400	20,478	52,878
<u>23,768</u>	<u>-</u>	<u>23,768</u>
 <u>1,441,549</u>	 <u>20,478</u>	 <u>1,462,027</u>
837,893	636,972	1,474,865
<u>3,848,729</u>	<u>5,841,206</u>	<u>9,689,935</u>
 <u>\$ 4,686,622</u>	 <u>\$ 6,478,178</u>	 <u>\$ 11,164,800</u>

See notes to the financial statements

**Charter Township of Jamestown**  
**BALANCE SHEET - governmental funds**  
March 31, 2005

	<u>Major funds</u>			<u>Nonmajor funds</u>	<u>Total governmental funds</u>
	<u>General</u>	<u>Fire Operating</u>	<u>Capital Improvement</u>		
<b>ASSETS</b>					
Cash	\$ 928,047	\$ 265,046	\$ 612,345	\$ 613,914	\$ 2,419,352
Receivables, net	299,865	4,139	-	22,988	326,992
Due from other funds	52,411	115	-	71	52,597
Total assets	<u>\$ 1,280,323</u>	<u>\$ 269,300</u>	<u>\$ 612,345</u>	<u>\$ 636,973</u>	<u>\$ 2,798,941</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Payables	\$ 11,749	\$ 17,000	\$ -	\$ -	\$ 28,749
Due to other funds	276	-	-	24,405	24,681
Deferred revenue	-	-	-	14,769	14,769
Total liabilities	<u>12,025</u>	<u>17,000</u>	<u>-</u>	<u>39,174</u>	<u>68,199</u>
Fund balances:					
Unreserved	1,268,298	252,300	612,345	-	2,132,943
Unreserved, reported in nonmajor:					
Special revenue funds	-	-	-	333,039	333,039
Debt service funds	-	-	-	264,760	264,760
Total fund balances	<u>1,268,298</u>	<u>252,300</u>	<u>612,345</u>	<u>597,799</u>	<u>2,730,742</u>
Total liabilities and fund balances	<u>\$ 1,280,323</u>	<u>\$ 269,300</u>	<u>\$ 612,345</u>	<u>\$ 636,973</u>	

Amounts reported for *governmental activities* in the statement of net assets are different because:

Capital assets used in *governmental activities* are not financial resources and, therefore, are not reported in the funds. 2,581,318

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds. 14,769

Some liabilities, including bonds and contracts payable, are not due and payable in the current period and, therefore, are not reported in the funds. (640,207)

Net assets of *governmental activities* (page 5) \$ 4,686,622

**Charter Township of Jamestown**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - governmental funds**

Year ended March 31, 2005

	<b>Major funds</b>			<b>Nonmajor funds</b>	<b>Total governmental funds</b>
	<b>General</b>	<b>Fire Operating</b>	<b>Capital Improvement</b>		
<b>REVENUES</b>					
Property taxes	\$ 181,084	\$ 185,635	\$ -	\$ 649,175	\$ 1,015,894
Licenses and permits	189,316	-	-	-	189,316
State grants	374,668	-	-	6,617	381,285
Charges for services	28,507	-	-	-	28,507
Fines and forfeitures	10,776	-	-	17,603	28,379
Interest and rentals	39,027	704	3,936	4,300	47,967
Other	252,212	761	-	20,442	273,415
Total revenues	1,075,590	187,100	3,936	698,137	1,964,763
<b>EXPENDITURES</b>					
Legislative	6,721	-	-	-	6,721
General government	294,972	-	-	-	294,972
Public safety	212,359	120,772	-	8,787	341,918
Public works	401,844	-	-	-	401,844
Community and economic development	39,840	-	-	-	39,840
Culture and recreation	50,714	-	1,845	147,467	200,026
Capital outlay	215,659	-	-	7,674	223,333
Debt service:					
Principal	-	-	-	60,868	60,868
Interest	-	-	-	31,161	31,161
Total expenditures	1,222,109	120,772	1,845	255,957	1,600,683
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(146,519)	66,328	2,091	442,180	364,080
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	280,490	-	99,131	5,780	385,401
Transfers out	(104,911)	-	-	(280,490)	(385,401)
Total other financing sources (uses)	175,579	-	99,131	(274,710)	-
<b>NET CHANGE IN FUND BALANCES</b>	29,060	66,328	101,222	167,470	364,080
<b>FUND BALANCES - BEGINNING</b>	1,239,238	185,972	511,123	430,329	2,366,662
<b>FUND BALANCES - ENDING</b>	<u>\$ 1,268,298</u>	<u>\$ 252,300</u>	<u>\$ 612,345</u>	<u>\$ 597,799</u>	<u>\$ 2,730,742</u>

See notes to the financial statements

**Charter Township of Jamestown**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCES - governmental funds (Continued)**  
Year ended March 31, 2005

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Reconciliation of the statement of revenues, expenditures, and changes in fund balances to the statement of activities.

Net change in fund balances - total governmental funds (page 8) \$ 364,080

Amounts reported for *governmental activities* in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Add - capital outlay	536,889
Deduct - depreciation expense	(123,294)

Repayment of debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount of debt principal payments. 60,868

Some items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of the following:

Net decrease in deferred revenue	(1,525)
Net decrease in accrued interest	<u>875</u>

Change in net assets of *governmental activities* (page 6) \$ 837,893

**Charter Township of Jamestown**  
**STATEMENT OF NET ASSETS - proprietary funds**  
March 31, 2005

	<u>Sewer</u>	<u>Water</u>	<u>Totals</u>
<b>ASSETS</b>			
Current assets:			
Cash	\$ 1,141,818	\$ 927,482	\$ 2,069,300
Receivables, net	180,952	80,000	260,952
Due from other funds	<u>123,724</u>	<u>-</u>	<u>123,724</u>
Total current assets	<u>1,446,494</u>	<u>1,007,482</u>	<u>2,453,976</u>
Noncurrent assets:			
Receivables, net	568,186	673,334	1,241,520
Bond issuance costs	-	75,237	75,237
Capital assets, net of accumulated depreciation	<u>5,367,603</u>	<u>2,368,017</u>	<u>7,735,620</u>
Total noncurrent assets	<u>5,935,789</u>	<u>3,116,588</u>	<u>9,052,377</u>
Total assets	<u>7,382,283</u>	<u>4,124,070</u>	<u>11,506,353</u>
<b>LIABILITIES</b>			
Current liabilities:			
Payables	123,354	88,181	211,535
Due to other funds	27,747	123,893	151,640
Contracts payable	<u>175,000</u>	<u>70,000</u>	<u>245,000</u>
Total current liabilities	326,101	282,074	608,175
Noncurrent liabilities:			
Contracts payable	<u>1,940,000</u>	<u>2,480,000</u>	<u>4,420,000</u>
Total liabilities	<u>2,266,101</u>	<u>2,762,074</u>	<u>5,028,175</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	3,252,603	(181,983)	3,070,620
Restricted for capital improvements	42,182	238,033	280,215
Unrestricted	<u>1,821,397</u>	<u>1,305,946</u>	<u>3,127,343</u>
Total net assets	<u>\$ 5,116,182</u>	<u>\$ 1,361,996</u>	<u>\$ 6,478,178</u>

See notes to the financial statements

**Charter Township of Jamestown**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN**  
**NET ASSETS - *proprietary funds***  
*Year ended March 31, 2005*

	<u>Sewer</u>	<u>Water</u>	<u>Totals</u>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 160,076	\$ 130,972	\$ 291,048
Other	<u>3,240</u>	<u>2,041</u>	<u>5,281</u>
Total operating revenues	<u>163,316</u>	<u>133,013</u>	<u>296,329</u>
<b>OPERATING EXPENSES</b>			
System operation and maintenance	187,951	344,218	532,169
Personnel costs	3,025	327	3,352
Supplies	5,771	27,902	33,673
Professional services	3,090	2,802	5,892
Miscellaneous	11,649	1,780	13,429
Depreciation	<u>122,003</u>	<u>54,150</u>	<u>176,153</u>
Total operating expenses	<u>333,489</u>	<u>431,179</u>	<u>764,668</u>
Operating loss	<u>(170,173)</u>	<u>(298,166)</u>	<u>(468,339)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Capital contributions:			
Customers	138,024	227,523	365,547
Federal grant	-	162,136	162,136
Connection fees, net of payments to Georgetown	419,460	272,641	692,101
Interest revenue	7,480	12,998	20,478
Special assessment interest	38,545	26,471	65,016
Interest expense	<u>(94,463)</u>	<u>(105,504)</u>	<u>(199,967)</u>
Total nonoperating revenues	<u>509,046</u>	<u>596,265</u>	<u>1,105,311</u>
<b>CHANGE IN NET ASSETS</b>	<u>338,873</u>	<u>298,099</u>	<u>636,972</u>
<b>NET ASSETS - BEGINNING</b>	<u>4,777,309</u>	<u>1,063,897</u>	<u>5,841,206</u>
<b>NET ASSETS - ENDING</b>	<u>\$ 5,116,182</u>	<u>\$ 1,361,996</u>	<u>\$ 6,478,178</u>

*See notes to the financial statements*

**Charter Township of Jamestown**  
**STATEMENT OF CASH FLOWS - proprietary funds**  
Year ended March 31, 2005

	<u>Sewer</u>	<u>Water</u>	<u>Totals</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 185,150	\$ 133,013	\$ 318,163
Payments to vendors and suppliers	(137,100)	(282,455)	(419,555)
Payments to employees	(3,025)	(327)	(3,352)
Net cash provided by (used in) operating activities	<u>45,025</u>	<u>(149,769)</u>	<u>(104,744)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Proceeds from issuance of bonds	-	1,785,000	1,785,000
Increase in due from other units	-	(238,033)	(238,033)
Connection fees	572,460	272,641	845,101
Connection fees remitted to Georgetown	(153,000)	-	(153,000)
Collections of assessments receivable	139,366	80,406	219,772
Special assessment interest	38,545	26,471	65,016
Capital contributions	-	162,136	162,136
Acquisition of capital assets	(152,999)	(1,479,082)	(1,632,081)
Principal payments on capital debt	(170,000)	(20,000)	(190,000)
Interest payments on capital debt	(106,563)	(45,983)	(152,546)
Increase in due from other funds	(33,721)	-	(33,721)
Payments for bond issuance costs	-	(75,237)	(75,237)
Net cash provided by capital and related financing activities	<u>134,088</u>	<u>468,319</u>	<u>602,407</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received	<u>6,845</u>	<u>12,998</u>	<u>19,843</u>
<b>NET INCREASE IN CASH</b>	185,958	331,548	517,506
<b>CASH - BEGINNING</b>	<u>955,860</u>	<u>595,934</u>	<u>1,551,794</u>
<b>CASH - ENDING</b>	<u>\$ 1,141,818</u>	<u>\$ 927,482</u>	<u>\$ 2,069,300</u>

See notes to the financial statements

**Charter Township of Jamestown****STATEMENT OF CASH FLOWS - proprietary funds (Continued)**

Year ended March 31, 2005

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	<u>Sewer</u>	<u>Water</u>	<u>Totals</u>
<b>Reconciliation of operating loss to net cash provided by (used in) operating activities:</b>			
Operating loss	\$ (170,173)	\$ (298,166)	\$ (468,339)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:			
Depreciation expense	122,003	54,150	176,153
Decrease in:			
Due from other funds	21,834	-	21,834
Increase in:			
Payables	71,146	42,960	114,106
Due to other funds	<u>215</u>	<u>51,287</u>	<u>51,502</u>
Net cash provided by (used in) operating activities	<u>\$ 45,025</u>	<u>\$ (149,769)</u>	<u>\$ (104,744)</u>

See notes to the financial statements



***Charter Township of Jamestown***

**STATEMENT OF FIDUCIARY NET ASSETS - *agency fund***

*March 31, 2005*

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**ASSETS**

Cash	\$ <u>13,388</u>
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**LIABILITIES**

Escrow deposits	\$ <u>13,388</u>
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*See notes to the financial statements*

**Charter Township of Jamestown**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

The accounting policies of the Charter Township of Jamestown, Michigan (the Township), conform to U.S. generally accepted accounting principles (hereinafter referred to as generally accepted accounting principles) as applicable to governments. The following is a summary of the more significant policies.

*a) Reporting entity:*

The accompanying financial statements present only the Township. There are no component units, entities for which the Township is considered to be financially accountable.

*b) Government-wide and fund financial statements:*

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the Township. The effect of inter-fund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

*c) Measurement focus, basis of accounting, and financial statement presentation:*

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available if they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

**Charter Township of Jamestown**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):**

*c) Measurement focus, basis of accounting, and financial statement presentation (continued):*

State grants, licenses and permits, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable only when cash is received by the government.

The Township reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the Township, except those required to be accounted for in another fund. Revenues are primarily derived from property taxes and state shared revenue.

The Fire Operating Fund accounts for specific resources, primarily property taxes, restricted for public safety operating costs.

The Capital Improvement Fund accounts for improvements financed through transfers from the General Fund.

The Township reports the following major proprietary funds:

The Sewer Fund accounts for the activities of the Township's sewage collection systems.

The Water Fund accounts for the activities of the Township's water distribution system.

Private-sector standards of accounting issued prior to March 1, 1989, are generally followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with the standards of the Governmental Accounting Standards Board (GASB). Governments also have the option of following subsequent private sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Township has elected not to follow subsequent private-sector standards.

The Township reports a fiduciary fund, its Agency Fund, which accounts for assets held by the Township as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Amounts reported as program revenues include: (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds relate to charges to customers for services. Operating expenses for proprietary funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**Charter Township of Jamestown**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):**

**d) Assets, liabilities, and net assets or equity:**

i) *Bank deposits* - Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

ii) *Receivables* - In general, outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances." No allowance for uncollectible accounts has been recorded as the Township considers all receivables to be fully collectible.

iii) *Prepaid items* - Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in the government-wide financial statements.

iv) *Capital assets* - Capital assets, which include property, equipment, and infrastructure assets (e.g., roads, sewer and water systems, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Governments can elect to account for infrastructure assets either retroactively to June 15, 1980, or prospectively. The Township has elected to account for infrastructure assets prospectively, beginning April 1, 2004.

Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings and improvements	25 - 50 years
Equipment	5 - 20 years
Vehicles	20 years
Sewer and water systems	50 years
Shared road costs	20 years

v) *Fund equity* - In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

vi) *Property tax revenue recognition* - Property taxes are levied as of December 1 on property values assessed as of December 31 of the prior year. The billings are due on or before February 14, after which time the bill becomes delinquent and penalties and interest may be assessed by the Township. Property tax revenue is recognized in the year for which taxes have been levied and become available. The Township levy date is December 1, and, accordingly, the total levy is recognized as revenue in the current year.

**Charter Township of Jamestown**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY:**

*Budgetary information* - Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. The budget document presents information by fund, function, and department. The legal level of budgetary control adopted by the governing body is the activity level. All annual appropriations lapse at the end of the fiscal year.

*Excess of expenditures over appropriations:*

The following schedule sets forth significant budget variations:

<u>Fund</u>	<u>Function</u>	<u>Activity</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
General	General government	Community and economic development	\$ 33,660	\$ 39,840	\$ (6,180)
		Culture and recreation	45,587	50,714	(5,127)

**NOTE 3 - CASH:**

The Township's cash, as presented in the financial statements, as follows:

	<u>Governmental activities</u>	<u>Business-type activities</u>	<u>Fiduciary</u>	<u>Totals</u>
Cash	\$ 2,419,352	\$ 2,069,300	\$ 13,388	\$ 4,502,040

*Deposits:*

Deposits are carried at cost and are maintained at various financial institutions in the name of the Township. State statutes and the Township's investment policy authorize the Township to make deposits in the accounts of federally-insured banks, credit unions, and savings and loan associations. The Township's deposits are in accordance with statutory authority. At March 31, 2005, the Township has deposits with a carrying amount of \$4,502,040 and a bank balance of \$4,524,562. Of the bank balance, \$598,147 is covered by federal depository insurance and \$3,926,415 is uninsured.

**Charter Township of Jamestown**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 4 - RECEIVABLES:**

Receivables as of year end for the government's individual major funds are as follows:

<i>Fund</i>	<i>Accounts</i>	<i>Property taxes</i>	<i>Inter- governmental</i>	<i>Special assessments</i>	<i>Totals</i>
Governmental activities:					
General Fund	\$ 235,693	\$ 10,142	\$ 54,030	\$ -	\$ 299,865
Fire Operating Fund	-	4,139	-	-	4,139
Nonmajor governmental funds	13,200	8,219	-	1,569	22,988
Total governmental activities	<u>\$ 248,893</u>	<u>\$ 22,500</u>	<u>\$ 54,030</u>	<u>\$ 1,569</u>	<u>\$ 326,992</u>
Business-type activities:					
Sewer Fund	\$ 60,952	\$ -	\$ 97,186	\$ 591,000	\$ 749,138
Water Fund	-	-	238,033	515,301	753,334
Total business-type activities	<u>\$ 60,952</u>	<u>\$ -</u>	<u>\$ 335,219</u>	<u>\$ 1,106,301</u>	<u>\$ 1,502,472</u>
Noncurrent portion	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 335,219</u>	<u>\$ 906,301</u>	<u>\$ 1,241,520</u>

All receivables are considered fully collectible.

**Charter Township of Jamestown**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 5 - CAPITAL ASSETS:**

Capital asset activity for the year ended March 31, 2005, was as follows:

	<i>Beginning balance</i>	<i>Increases</i>	<i>Decreases</i>	<i>Ending balance</i>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 186,440	\$ 215,314	\$ -	\$ 401,754
Capital assets being depreciated:				
Shared road costs	-	320,375		320,375
Buildings	1,504,950	-	-	1,504,950
Vehicles	899,000	-	-	899,000
Equipment	556,440	1,200	-	557,640
Subtotal	2,960,390	321,575	-	3,281,965
Less accumulated depreciation:				
Shared road costs	-	2,670	-	2,670
Buildings	339,047	29,809	-	368,856
Vehicles	385,850	44,950	-	430,800
Equipment	254,210	45,865	-	300,075
Subtotal	979,107	123,294	-	1,102,401
Net capital assets being depreciated	1,981,283	198,281	-	2,179,564
Governmental activities capital assets, net	\$ 2,167,723	\$ 413,595	\$ -	\$ 2,581,318
Business-type activities:				
Capital assets being depreciated:				
Sewer system	\$ 5,919,846	\$ 152,999	\$ -	\$ 6,072,845
Water system	1,228,409	1,479,082	-	2,707,491
Buildings	17,191	-	-	17,191
Subtotal	7,165,446	1,632,081	-	8,797,527
Less accumulated depreciation:				
Sewer system	595,368	121,457	-	716,825
Water system	285,324	54,150	-	339,474
Buildings	5,062	546	-	5,608
Subtotal	885,754	176,153	-	1,061,907
Business-type activities capital assets, net	\$ 6,279,692	\$ 1,455,928	\$ -	\$ 7,735,620

**Charter Township of Jamestown**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**NOTE 5 - CAPITAL ASSETS (Continued):**

Depreciation expense was charged to functions of the Township as follows:

Governmental activities:	
General government	\$ 13,166
Public safety	51,653
Public works	2,670
Culture and recreation	<u>55,805</u>
Total governmental activities	<u>\$ 123,294</u>

**NOTE 6 - NONCURRENT LIABILITIES:**

At March 31, 2005, noncurrent liabilities are comprised of the following individual issues:

Governmental activities:

Bonds and note payable:

\$100,719 1995 Intercounty drainage district assessment - payable in annual installments ranging from \$10,868 to \$13,041, plus interest at 4.65 % to 5.00%; final payment due May 2006.	\$ 26,082
\$880,000 1998 Library construction bonds - payable in annual installments ranging from \$50,000 to \$80,000, plus interest at 4.1 % to 6.0%; final payment due June 2013.	<u>605,000</u>
Total governmental activities long-term obligations	<u>\$ 631,082</u>

Business-type activities:

Contracts payable:

\$885,000 1996 Water system contract payable - payable in annual installments ranging from \$20,000 to \$75,000, plus interest at 5.5% to 7.0%; final payment due May 2016.	\$ 765,000
\$1,830,000 1999 Sewer system contract payable - payable in annual installments ranging from \$140,000 to \$195,000, plus interest at 4.30% to 4.35%; final payment due June 2011.	1,185,000
\$990,000 2000 Sewer system contract payable - payable in annual installments ranging from \$30,000 to \$100,000, plus interest at 5.2% to 5.8%; final payment due June 2021.	930,000
\$1,785,000 2004 Water system contract payable - payable in annual installments ranging from \$40,000 to \$195,000, plus interest at 2.5% to 5.0%; final payment due June 2024.	<u>1,785,000</u>
Total business-type activities long-term obligations	<u>\$ 4,665,000</u>



**Charter Township of Jamestown**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 6 - NONCURRENT LIABILITIES (Continued):**

Noncurrent liability activity for the year ended March 31, 2005, was as follows:

	<i>Beginning balance</i>	<i>Additions</i>	<i>Reductions</i>	<i>Ending balance</i>	<i>Amounts due within one year</i>
Governmental activities:					
1995 Note	\$ 36,950	\$ -	\$ (10,868)	\$ 26,082	\$ 13,041
1998 Bonds	655,000	-	(50,000)	605,000	55,000
Total governmental activities noncurrent obligations	<u>\$ 691,950</u>	<u>\$ -</u>	<u>\$ (60,868)</u>	<u>\$ 631,082</u>	<u>\$ 68,041</u>
Business-type activities:					
1996 Contract payable	\$ 785,000	\$ -	\$ (20,000)	\$ 765,000	\$ -
1999 Contract payable	1,325,000		(140,000)	1,185,000	145,000
2000 Contract payable	960,000		(30,000)	930,000	30,000
2004 Contract payable	-	1,785,000	-	1,785,000	70,000
Total business-type activities noncurrent obligations	<u>\$ 3,070,000</u>	<u>\$ 1,785,000</u>	<u>\$ (190,000)</u>	<u>\$ 4,665,000</u>	<u>\$ 245,000</u>

At March 31, 2005, debt service requirements were as follows:

<i>Year ended</i>	<i>Governmental activities</i>		<i>Business-type activities</i>	
<i>March 31:</i>	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>
2006	\$ 68,041	\$ 27,396	\$ 245,000	\$ 196,871
2007	73,041	24,502	275,000	208,064
2008	60,000	21,566	285,000	195,492
2009	65,000	18,783	300,000	182,383
2010	65,000	15,825	305,000	168,879
2011 - 2015	300,000	29,485	1,200,000	652,260
2016 - 2020	-	-	1,015,000	396,694
2021 - 2025	-	-	1,040,000	122,126
Totals	<u>\$ 631,082</u>	<u>\$ 137,557</u>	<u>\$ 4,665,000</u>	<u>\$ 2,122,769</u>

**Charter Township of Jamestown**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 7 - PAYABLES:**

Payables as of year end for the Township's individual major funds are as follows:

<u>Fund</u>	<u>Accounts</u>	<u>Payroll</u>	<u>Interest</u>	<u>Totals</u>
Governmental activities:				
General Fund	\$ 11,749	\$ -	\$ -	\$ 11,749
Fire Operating Fund	<u>-</u>	<u>17,000</u>	<u>-</u>	<u>17,000</u>
Total governmental activities	<u>\$ 11,749</u>	<u>\$ 17,000</u>	<u>\$ -</u>	<u>\$ 28,749</u>
Business-type activities:				
Sewer Fund	\$ 89,354	\$ -	\$ 34,000	\$ 123,354
Water Fund	<u>62,381</u>	<u>-</u>	<u>25,800</u>	<u>88,181</u>
Total business-type activities	<u>\$ 151,735</u>	<u>\$ -</u>	<u>\$ 59,800</u>	<u>\$ 211,535</u>

**NOTE 8 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS:**

At March 31, 2005, the composition of interfund balances is as follows:

<u>Fund</u>	<u>Receivable</u>	<u>Fund</u>	<u>Payable</u>
General	\$ 52,411	Sewer	\$ 27,747
		Water	259
		Nonmajor governmental funds	<u>24,405</u>
			<u>52,411</u>
Fire Operating	115	General	<u>276</u>
Nonmajor governmental funds	90		
Sewer	<u>71</u>		
	<u>276</u>		
Sewer	<u>123,634</u>	Water	<u>123,634</u>
Totals	<u>\$ 176,321</u>		<u>\$ 176,321</u>

The amounts payable to the General Fund represent temporary cash flow assistance. The amount payable to the Sewer Fund represents a reallocation of collections from customers. The balances are scheduled to be collected in the subsequent year.

**Charter Township of Jamestown**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**NOTE 8 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS:**

The interfund transfers for the year ended March 31, 2005, are as follows:

<u>Fund</u>	<u>Transfer In</u>	<u>Fund</u>	<u>Transfer Out</u>
Capital Improvement	\$ 99,131	General	\$ 104,911
Bliss Creek Drain	<u>5,780</u>		
	104,911		
General	<u>280,490</u>	Road	<u>280,490</u>
Totals	<u>\$ 385,401</u>	Totals	<u>\$ 385,401</u>

The transfer from the General Fund to the Capital Improvement Fund moved unrestricted revenues, collected in the General Fund, to finance capital acquisitions in accordance with budgetary authorizations.

The transfer from the General Fund to the Bliss Creek Drain Fund moved unrestricted revenues, collected in the General Fund, to the Bliss Creek Drain Fund to eliminate a deficit.

The transfer to the General Fund represents restricted revenues collected in the Road Fund to pay for road improvement and maintenance costs accounted for in the General Fund.

**NOTE 9 - RISK MANAGEMENT:**

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation). The Township has purchased commercial insurance for each of these claims and is neither self-insured nor participates in a shared-risk pool. Settled claims relating to commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

**NOTE 10 - CONSTRUCTION CODE ACT:**

A summary of construction code enforcement transactions for the year ended March 31, 2005, is as follows:

Revenues	\$ 182,943
Expenses	<u>(195,761)</u>
Deficiency of revenues over expenses	<u>\$ (12,818)</u>

**Charter Township of Jamestown**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**NOTE 11 - DEFINED CONTRIBUTION PENSION PLAN:**

The Township provides pension benefits for its employees through a defined contribution plan. Employees are eligible to participate from the date of employment. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. The Township contributes 6% of each qualified employee's covered compensation to the plan. Plan participants are also required to contribute 6% of covered compensation. The Township's contributions are fully vested immediately. The Township is not a trustee of the plan, nor is the Township responsible for investment management of plan assets.

The Township and qualified employees each made contributions of \$11,552 respectively, for the fiscal year ended March 31, 2005, for a total of \$23,104.

**NOTE 12 - CHANGE IN ACCOUNTING PRINCIPLES:**

Effective April 1, 2004, the Township implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, along with all related statements and interpretations. In connection with the implementation of this statement, the following adjustments to beginning net assets have been made to reflect the cumulative effect of this accounting change:

Net assets, as previously reported	
General, special revenue, and debt service funds	\$ 2,366,662
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	2,167,723
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	16,294
Some liabilities, including bonds and notes payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(701,950)</u>
Net assets, as restated	<u>\$ 3,848,729</u>

## **REQUIRED SUPPLEMENTARY INFORMATION**

**Charter Township of Jamestown**

**BUDGETARY COMPARISON SCHEDULE - General Fund**

Year ended March 31, 2005

	<u>Original budget</u>	<u>Amended budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
<b>REVENUES</b>				
Property taxes	\$ 182,460	\$ 187,002	\$ 181,084	\$ (5,918)
Licenses and permits	185,950	224,726	189,316	(35,410)
State grants	345,000	298,717	374,668	75,951
Charges for services	34,480	28,507	28,507	-
Fines and forfeitures	6,200	9,613	10,776	1,163
Interest and rentals	41,350	39,022	39,027	5
Other:				
Contributions	-	-	228,540	228,540
Miscellaneous	20,600	23,672	23,672	-
<b>Total revenues</b>	<u>816,040</u>	<u>811,259</u>	<u>1,075,590</u>	<u>264,331</u>
<b>EXPENDITURES</b>				
Legislative	12,914	6,721	6,721	-
General government	324,885	293,056	294,972	(1,916)
Public safety	164,980	213,398	212,359	1,039
Public works	420,000	401,844	401,844	-
Community and economic development	39,981	33,660	39,840	(6,180)
Culture and recreation	10,000	45,587	50,714	(5,127)
Capital outlay	10,000	215,994	215,659	335
<b>Total expenditures</b>	<u>982,760</u>	<u>1,210,260</u>	<u>1,222,109</u>	<u>(11,849)</u>
<b>DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	<u>(166,720)</u>	<u>(399,001)</u>	<u>(146,519)</u>	<u>252,482</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	284,000	274,265	280,490	6,225
Transfers out	-	(99,131)	(104,911)	(5,780)
<b>Total other financing sources</b>	<u>284,000</u>	<u>175,134</u>	<u>175,579</u>	<u>445</u>
<b>NET CHANGE IN FUND BALANCES</b>	117,280	(223,867)	29,060	252,927
<b>FUND BALANCES - BEGINNING</b>	<u>1,239,238</u>	<u>1,239,238</u>	<u>1,239,238</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 1,356,518</u>	<u>\$ 1,015,371</u>	<u>\$ 1,268,298</u>	<u>\$ 252,927</u>

**Charter Township of Jamestown****BUDGETARY COMPARISON SCHEDULE - Fire Operating Fund**

Year ended March 31, 2005

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	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
<b>REVENUES</b>				
Property taxes	\$ 190,000	\$ 185,581	\$ 185,635	\$ 54
Interest	850	704	704	-
Other	150	761	761	-
Total revenues	191,000	187,046	187,100	54
<b>EXPENDITURES</b>				
Public safety	164,073	120,843	120,772	71
<b>NET CHANGE IN FUND BALANCES</b>	26,927	66,203	66,328	125
<b>FUND BALANCES - BEGINNING</b>	185,972	185,972	185,972	-
<b>FUND BALANCES - ENDING</b>	<u>\$ 212,899</u>	<u>\$ 252,175</u>	<u>\$ 252,300</u>	<u>\$ 125</u>

**Charter Township of Jamestown****BUDGETARY COMPARISON SCHEDULE - Capital Improvement Fund**

Year ended March 31, 2005

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	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
<b>REVENUES</b>				
Interest	\$ -	\$ 3,936	\$ 3,936	\$ -
<b>EXPENDITURES</b>				
Culture and recreation	-	-	1,845	(1,845)
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	-	3,936	2,091	(1,845)
<b>OTHER FINANCING SOURCES</b>				
Transfer in - General Fund	115,000	99,131	99,131	-
<b>NET CHANGE IN FUND BALANCES</b>	115,000	103,067	101,222	(1,845)
<b>FUND BALANCES - BEGINNING</b>	511,123	511,123	511,123	-
<b>FUND BALANCES - ENDING</b>	<u>\$ 626,123</u>	<u>\$ 614,190</u>	<u>\$ 612,345</u>	<u>\$ (1,845)</u>



## **SUPPLEMENTARY INFORMATION**

**Charter Township of Jamestown****COMBINING BALANCE SHEET - nonmajor governmental funds**

March 31, 2005

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	<u>Special revenue funds</u>			
	<u>Fire Replacement</u>	<u>Library</u>	<u>Road</u>	<u>Totals</u>
<b>ASSETS</b>				
Cash	\$ 255,505	\$ 96,867	\$ -	\$ 352,372
Receivables, net	3,104	15,097	-	18,201
Due from other funds	<u>-</u>	<u>71</u>	<u>-</u>	<u>71</u>
Total assets	<u>\$ 258,609</u>	<u>\$ 112,035</u>	<u>\$ -</u>	<u>\$ 370,644</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Due to other funds	\$ -	\$ 24,405	\$ -	\$ 24,405
Deferred revenue	<u>-</u>	<u>13,200</u>	<u>-</u>	<u>13,200</u>
Total liabilities	-	37,605	-	37,605
Fund balances:				
Unreserved, undesignated	<u>258,609</u>	<u>74,430</u>	<u>-</u>	<u>333,039</u>
Total liabilities and fund balances	<u>\$ 258,609</u>	<u>\$ 112,035</u>	<u>\$ -</u>	<u>\$ 370,644</u>

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<i>Debt service funds</i>			<i>Total other governmental funds</i>
<i>Bliss Creek Drain</i>	<i>Library Construction</i>	<i>Totals</i>	
\$ 2,023	\$ 259,519	\$ 261,542	\$ 613,914
1,569	3,218	4,787	22,988
-	-	-	71
<u>\$ 3,592</u>	<u>\$ 262,737</u>	<u>\$ 266,329</u>	<u>\$ 636,973</u>
\$ -	\$ -	\$ -	\$ 24,405
1,569	-	1,569	14,769
1,569	-	1,569	39,174
2,023	262,737	264,760	597,799
<u>\$ 3,592</u>	<u>\$ 262,737</u>	<u>\$ 266,329</u>	<u>\$ 636,973</u>

**Charter Township of Jamestown****COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - nonmajor governmental funds**

Year ended March 31, 2005

	<b>Special revenue funds</b>			
	<b>Fire Replacement</b>	<b>Library</b>	<b>Road</b>	<b>Totals</b>
<b>REVENUES</b>				
Property taxes	\$ 139,226	\$ 85,085	\$ 280,490	\$ 504,801
State grants	-	6,617	-	6,617
Fines and forfeitures	-	17,603	-	17,603
Interest and rentals	602	2,986	-	3,588
Other	1,301	17,473	-	18,774
Total revenues	141,129	129,764	280,490	551,383
<b>EXPENDITURES</b>				
Public safety	8,787	-	-	8,787
Culture and recreation	-	147,467	-	147,467
Capital outlay	7,674	-	-	7,674
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	16,461	147,467	-	163,928
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	124,668	(17,703)	280,490	387,455
<b>OTHER FINANCING USES</b>				
Transfer in	-	-	-	-
Transfer out	-	-	(280,490)	(280,490)
Total other financing sources (uses)	-	-	(280,490)	(280,490)
<b>NET CHANGE IN FUND BALANCES</b>	124,668	(17,703)	-	106,965
<b>FUND BALANCES - BEGINNING</b>	133,941	92,133	-	226,074
<b>FUND BALANCES - ENDING</b>	\$ 258,609	\$ 74,430	\$ -	\$ 333,039

<b><i>Debt service funds</i></b>			
<b><i>Bliss Creek Drain</i></b>	<b><i>Library Construction</i></b>	<b><i>Totals</i></b>	<b><i>Total other governmental funds</i></b>
\$ -	\$ 144,374	\$ 144,374	\$ 649,175
-	-	-	6,617
-	-	-	17,603
9	703	712	4,300
<u>1,668</u>	<u>-</u>	<u>1,668</u>	<u>20,442</u>
<u>1,677</u>	<u>145,077</u>	<u>146,754</u>	<u>698,137</u>
-	-	-	8,787
-	-	-	147,467
-	-	-	7,674
10,868	50,000	60,868	60,868
<u>1,761</u>	<u>29,400</u>	<u>31,161</u>	<u>31,161</u>
<u>12,629</u>	<u>79,400</u>	<u>92,029</u>	<u>255,957</u>
<u>(10,952)</u>	<u>65,677</u>	<u>54,725</u>	<u>442,180</u>
5,780	-	5,780	5,780
<u>-</u>	<u>-</u>	<u>-</u>	<u>(280,490)</u>
<u>5,780</u>	<u>-</u>	<u>5,780</u>	<u>(274,710)</u>
(5,172)	65,677	60,505	167,470
<u>7,195</u>	<u>197,060</u>	<u>204,255</u>	<u>430,329</u>
<u>\$ 2,023</u>	<u>\$ 262,737</u>	<u>\$ 264,760</u>	<u>\$ 597,799</u>

**SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 CONTINUING DISCLOSURE  
(UNAUDITED)**

**Charter Township of Jamestown  
Taxable Value  
Fiscal Years Ended March 31, 2001 Through 2005**

<u>Assessed Value as of December 31</u>	<u>Year of State Equalization and Tax Levy</u>	<u>Township's Fiscal Years Ended March 31</u>	<u>Ad Valorem Taxable Value</u>	<u>Equivalent Taxable Value of Property Granted Tax Abatement Under Act 198 (1)</u>	<u>Total Taxable Value</u>	<u>Percent Increase Over Prior Year</u>
1999	2000	2001	\$125,370,335	\$ 7,291,183	\$132,661,518	0.00%
2000	2001	2002	136,493,462	7,279,954	143,773,416	8.38
2001	2002	2003	150,933,437	11,555,227	162,488,664	13.02
2002	2003	2004	163,322,926	11,776,400	175,099,326	7.76
2003	2004	2005	185,480,500	14,216,500	199,697,000	14.05

Per Capita Taxable Value for the Fiscal Year Ended March 31, 2005 (2).....\$39,450

(1) At the full tax rate.

(2) Based on the Township's 2000 census population of 5,062.

Source: Charter Township of Jamestown

**Charter Township of Jamestown  
Taxable Value by Use and Class  
Fiscal Years Ended March 31, 2001 Through 2005**

<u>Use</u>	<u>Fiscal Years Ended March 31</u>				
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Agricultural .....	\$ 17,635,859	\$ 18,461,704	\$ 19,288,050	\$ 19,673,485	\$ 22,266,252
Commercial .....	5,587,861	6,743,666	8,325,129	9,020,939	9,304,380
Industrial.....	13,063,683	13,586,273	18,064,539	18,680,660	22,404,748
Residential .....	90,878,415	98,980,573	109,074,146	119,896,142	138,384,020
Utility.....	5,495,700	6,001,200	7,736,800	7,828,100	7,337,600
	<u>\$ 132,661,518</u>	<u>\$ 143,773,416</u>	<u>\$ 162,488,664</u>	<u>\$ 175,099,326</u>	<u>\$ 199,697,000</u>
<u>Class</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Real Property .....	\$ 124,757,990	\$ 135,220,036	\$ 148,209,958	\$ 160,643,826	\$ 185,728,700
Personal Property .....	7,903,528	8,553,380	14,278,706	14,455,500	13,968,300
	<u>\$ 132,661,518</u>	<u>\$ 143,773,416</u>	<u>\$ 162,488,664</u>	<u>\$ 175,099,326</u>	<u>\$ 199,697,000</u>

Source: Charter Township of Jamestown

**Charter Township of Jamestown  
State Equalized Valuation  
Fiscal Years Ended March 31, 2004 and 2005**

<u>Assessed Value as of December 31</u>	<u>Year of State Equalization and Tax Levy</u>	<u>Township's Fiscal Year Ended March 31</u>	<u>Ad Valorem SEV</u>	<u>SEV of Property Granted Tax Abatement Under Act 198</u>	<u>Total SEV</u>
2002	2003	2004	\$211,951,500	\$11,776,400	\$223,727,900
2003	2004	2005	248,726,800	14,216,500	262,943,300

Per Capita SEV for the Fiscal Year Ended March, 2005 (1).....\$51,945

(1) Based on the Township's 2000 census population of 5,062.

Source: Charter Township of Jamestown

(UNAUDITED)

**Charter Township of Jamestown**  
**SEV by Use and Class**  
**Fiscal Years Ended March 31, 2004 and 2005**

	<u>Fiscal Year Ended</u> <u>March 31, 2004</u>		<u>Fiscal Year Ended</u> <u>March 31, 2005</u>	
<u>Use</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural .....	\$ 36,664,000	17.30%	\$ 54,545,300	20.74%
Commercial .....	10,206,800	4.82	10,804,400	4.11
Industrial .....	8,644,800	4.08	26,754,300	10.17
Residential .....	148,607,800	70.11	163,501,700	62.18
Utility .....	<u>7,828,100</u>	<u>3.69</u>	<u>7,337,600</u>	<u>2.80</u>
Total	<u>\$211,951,500</u>	<u>100.00%</u>	<u>\$262,943,300</u>	<u>100.00%</u>
<u>Class</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Real Property .....	\$200,739,300	94.71%	\$248,975,000	94.69%
Personal Property .....	<u>11,212,200</u>	<u>5.29</u>	<u>13,968,300</u>	<u>5.31</u>
	<u>\$211,951,500</u>	<u>100.00%</u>	<u>\$262,943,300</u>	<u>100.00%</u>

Source: Charter Township of Jamestown

#### **Tax Abatement**

The Township's Taxable Value does not include the value of certain facilities, which have temporarily been removed from the Ad Valorem Tax Roll pursuant to Act 198. The Act was designed to provide a stimulus in the form of significant tax incentives to industrial enterprises to renovate and expand aging facilities ("Rehab Properties") and to build new facilities ("New Properties"). Except as indicated below, under the provisions of the Act, a local governmental unit (i.e., a city, village, or township) may establish plant rehabilitation districts and industrial development districts and offer industrial firms certain property tax incentives or abatements to encourage restoration or replacement of obsolete facilities and to attract new facilities to the area.

An industrial facilities exemption certificate granted under the Act entitles an eligible facility to exemption from Ad Valorem Taxes for a period of up to 12 years. In lieu of Ad Valorem Taxes, the eligible facility will pay an industrial facilities tax (the "IFT Tax"). For properties granted tax abatement under Act 198, there exists a separate tax roll referred to as the industrial facilities tax roll (the "IFT Tax Roll"). The IFT Tax for an obsolete facility which is being restored or replaced is determined in exactly the same manner as the Ad Valorem Tax; the important difference being that the value of the property remains at the Taxable Value level prior to the improvements even though the restoration or replacement substantially increases the value of the facility. For a new facility, the IFT Tax is also determined the same as the Ad Valorem Tax but instead of using the total mills levied as Ad Valorem Taxes, a lower millage rate is applied. For abatements granted prior to 1994, this millage rate equals 1/2 of all tax rates levied by other than the state and local school district for operating purposes plus 1/2 of the 1993 rate levied by the local school district for operating purposes. For abatements granted after 1994, this millage rate equals 1/2 of all tax rates levied by other than the state and local school district plus none, 1/2, or all of the state tax rate (as determined by the State Treasurer).

The Township has established goals, objectives, and procedures to provide the opportunity for industrial development and expansion. Since 200, the Township has approved several applications for local property tax relief for industrial firms. The taxable value of properties that have been granted tax abatement under the Act, removed from the Ad Valorem Tax Roll, and placed on the IFT Tax Roll totaled \$14,216,500 for the fiscal year ended March 31, 2005. The IFT Taxes paid on these properties is equivalent to Ad Valorem Taxes paid on \$7,108,250 of Taxable Value at the full tax rate (the "Equivalent Taxable Value"). Upon expiration of the industrial facilities exemption certificates, the current equalized valuation of the abated properties will return to the Ad Valorem Tax Roll as Taxable Value.

(UNAUDITED)



**Charter Township of Jamestown  
Maximum Property Tax Rates  
Fiscal Year Ended March 31, 2005**

<u>Millage Classification</u>	<u>Millage Authorized</u>	<u>Applicable Millage Reduction Fraction (1)</u>	<u>Maximum Allowable Millage</u>
Operating .....	0.9066	0.9914	0.9066
Fire District.....	1.6876	0.9914	1.6876
Roads.....	1.4571	0.9914	1.4571
Library Operating .....	0.4420	0.9914	0.4420
Library Debt.....	0.7500	N/A	0.7500

(1) Cumulative.  
Source: Charter Township of Jamestown

**Charter Township of Jamestown  
Property Tax Rates  
Fiscal Years Ended March 31, 2001 Through 2005**

<u>Levy Dec 1</u>	<u>Fiscal Year Ended March 31</u>	<u>General</u>	<u>Debt Service (1)</u>	<u>Total</u>
2000	2001	4.1800	0.7500	4.9300
2001	2002	4.5510	0.7500	5.3010
2002	2003	4.5117	0.7500	5.2617
2003	2004	4.5702	0.7500	5.3202
2004	2005	4.4933	0.7500	5.2433

(1) Voted.  
Source: Charter Township of Jamestown

(UNAUDITED)

**Charter Township of Jamestown  
Homestead Property Tax Rates by Governmental Unit  
Fiscal Years Ended March 31, 2001 Through 2005**

	<u>Fiscal Years Ended March 31</u>				
<u>Governmental Unit</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Jamestown Township .....	4.9300	5.3010	5.2617	5.3202	5.2433
Ottawa Intermediate	4.2999	4.2854	4.2688	4.2305	4.2192
Schools	1.8109	1.8049	1.8000	1.7865	1.7865
Grand Rapids Comm College	6.0000	6.0000	6.0000	5.0000	6.0000
State Education.....	7.9784	7.9707	7.9658	8.0000	7.9904
Hudsonville Schools.....	6.7383	6.2317	6.2317	6.1130	6.1130
Grandville Schools .....	<u>4.3760</u>	<u>4.2722</u>	<u>4.1672</u>	<u>4.1611</u>	<u>4.2593</u>
Ottawa County .....					
	<u>36.1335</u>	<u>35.8659</u>	<u>35.6952</u>	<u>34.6113</u>	<u>35.6117</u>
Total.....					

**Charter Township of Jamestown  
Non-Homestead Property Tax Rates by Governmental Unit  
Fiscal Years Ended March 31, 2001 Through 2005**

	<u>Fiscal Years Ended March 31</u>				
<u>Governmental Unit</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Jamestown Township .....	4.9300	5.3010	5.2617	5.3202	5.2433
Ottawa Intermediate Schools	4.2999	4.2854	4.2688	4.2305	4.2192
Grand Rapids Comm College	1.8109	1.8049	1.8000	1.7865	1.7865
State Education.....	6.0000	6.0000	6.0000	5.0000	6.0000
Hudsonville Schools.....	25.9784	25.9707	25.9658	26.0000	26.0000
Grandville Schools .....	24.7383	24.2317	24.2317	23.9600	23.9600
Ottawa County .....	<u>4.3760</u>	<u>4.2722</u>	<u>4.1672</u>	<u>4.1611</u>	<u>4.2593</u>
Total.....	<u>72.1335</u>	<u>71.8659</u>	<u>71.6952</u>	<u>70.4583</u>	<u>71.4683</u>

**Charter Township of Jamestown  
Property Tax Collections  
Fiscal Years Ended March 31, 2001 Through 2005**

<u>December 1</u>	<u>Fiscal Years</u>		<u>Collections</u>	<u>Percent</u>
<u>Levy</u>	<u>Ended</u>	<u>Tax Levy (1)</u>	<u>to March 1</u>	<u>Collected</u>
	<u>March 31</u>		<u>Following Levy</u>	
2000	2001	\$618,438	\$597,024	96.54%
2001	2002	744,396	720,298	96.76
2002	2003	825,426	806,521	97.71
2003	2004	872,459	847,656	97.16
2004	2005	1,009,330	986,020	97.69

(1) Township taxes only. Excludes special assessments. Includes property tax collections of property granted tax abatement under Act 198.

Source: Charter Township of Jamestown

(UNAUDITED)

**Profile of the Ten Largest Taxpayers  
Charter Township of Jamestown  
Ten Largest Taxpayers  
Fiscal Year Ended March 31, 2005**

<u>Taxpayer</u>	<u>Principal Product or Service</u>	<u>Taxable Value</u>	<u>Percent of Total (1)</u>
Royal Plastic/Royal Land	Plastics manufacturing	\$13,482,783	6.75%
Prime Real Estate Investments	Real estate development	5,293,016	2.65
Patmos Farms/Sunrise Acres	Agricultural	3,359,986	1.68
Espec North America		3,116,100	1.56
Consumers Energy	Utility	2,970,873	1.49
Bosgraaf Real Estate	Real estate development	2,481,163	1.24
Terra Ceia Mobile Home Park	Mobile Home Park	2,369,305	1.19
ANR	Utility	2,025,121	1.01
SEMCO Energy Gas Company	Utility	1,397,600	0.70
Michigan Consolidated Gas	Utility	<u>1,218,700</u>	<u>0.61</u>
		<u>\$37,714,647</u>	<u>18.88%</u>

(1) Based on \$199,697,000 which is the Township's Total Taxable Value for its fiscal year ended March 31, 2005.  
Includes the Equivalent Taxable Value of Property granted under Act 198.  
Source: Charter Township of Jamestown

**Charter Township of Jamestown  
Revenues from the State of Michigan  
Fiscal Years Ended March 31, 2001 Through 2005**

	<u>Fiscal Years Ended or Ending March 31</u>				
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Sales Tax .....	<u>\$ 344,146</u>	<u>\$ 455,531</u>	<u>\$ 386,837</u>	<u>\$ 358,839</u>	<u>\$ 352,747</u>

Source: Charter Township of Jamestown

**Legal Debt Margin**

Pursuant to the statutory and constitutional debt provisions set forth herein, the following table reflects the amount of additional debt the Township may legally incur as of March 31, 2005.

Debt Limit (1).....	\$26,294,330
Debt Outstanding .....	\$5,296,082
Less: Exempt Debt.....	<u>4,665,000</u>
	<u>631,082</u>
Legal Debt Margin.....	<u>\$25,663,248</u>

(1) 10% of \$262,943,300 Township's Total SEV for the fiscal year ended March 31, 2005.  
Source: Charter Township of Jamestown.

(UNAUDITED)

## Debt Statement

The following table reflects a breakdown of the Township's direct and overlapping debt as of March 31, 2005.

To the extent necessary, the Township may levy taxes on all taxable property within its boundaries without limitation as to rate or amount to pay the principal of and interest due on the bonds in the following table, which are designated as "UT." However, the Township's ability to levy tax to pay the debt service on the bonds, which is designated as "LT," is subject to applicable charter, statutory, and constitutional limitations.

<u>Township Direct Debt</u>	<u>Gross</u>	<u>Self-Supporting</u>	<u>Net</u>
General Obligation Bonds:			
Library construction dated 1998 (UT) .....	\$ 605,000	\$ -0-	\$ 605,000
Water and Sewer Revenue Bonds:			
Dated March 1, 1996 (LT) .....	765,000	765,000	-0-
Dated April 1, 1999 (LT) .....	1,185,000	1,185,000	-0-
Dated October 1, 2000 (LT) .....	930,000	930,000	-0-
Dated June 24, 2004 (LT) .....	<u>1,785,000</u>	<u>1,785,000</u>	<u>-0-</u>
Subtotal .....	<u>4,665,000</u>	<u>4,665,000</u>	<u>-0-</u>
Other Obligations:			
Intercounty drain obligation dated 1995 ....	<u>26,082</u>	<u>-0-</u>	<u>26,082</u>
Totals .....	<u>\$ 5,296,082</u>	<u>\$4,665,000</u>	<u>\$ 631,082</u>

Per Capita Net Township Direct Debt (1) .....\$125  
Percent of Net Direct Debt to SEV (2) .....0.2%

<u>Overlapping Debt (3)</u>	<u>Township Share</u>		<u>Net</u>
	<u>Gross</u>	<u>As Percent of Gross</u>	
Hudsonville School District .....	\$ 78,669,940	18.64%	\$14,664,077
Grandville School District .....	44,615,000	1.07	477,381
Ottawa County .....	24,300,000	2.31	561,330
Grand Rapids Community College .....	57,460,000	0.07	40,222
Ottawa Intermediate School District .....	<u>7,815,000</u>	1.90	<u>148,485</u>
Totals .....	<u>\$212,859,940</u>		<u>\$15,891,495</u>

Per Capita Net Overlapping Debt (1) .....\$125  
Percent of Net Overlapping Debt to SEV (2) .....0.24%

Per Capita Net Direct and Overlapping Debt (1) .....\$3,264  
Percent of Net Direct and Overlapping Debt to SEV (2) .....6.28%

(1) Based on the Township's 2000 census population of 5,062.

(2) Based on \$262,943,300, which is the Township's SEV for the fiscal year ended March 31, 2005. Includes the value of property granted tax abatement under Act 198.

(3) Overlapping debt is the portion of another taxing unit's debt for which property taxpayers of the Township are liable in addition to debt issued by the Township.

Source: Charter Township of Jamestown

(UNAUDITED)